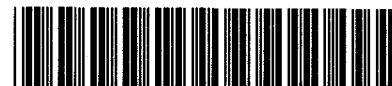


ORIGINAL



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January 10, 2011

RECEIVED

Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007
Attn: Docket Control

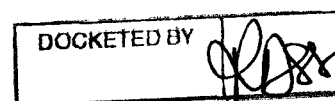
JAN 12 P 12:22
AZ CORP COMMISSION
DOCKET CONTROL

Re: Docket No. W-02526A-10-0499

Arizona Corporation Commission
DOCKETED

JAN 12 2011

Klaudia Ness
7350 Hutton Ranch Rd.
Flagstaff, AZ 86004
928.220.0350



Dear Commission and All Relevant Staff Members:

I am personally responding in regard to the complaint received against the shareholders Brad Ness, Gloria Ness, Erik Ness, and Dianah Ness. I am in full agreement and acknowledgement of this complaint, and would like to take a moment to respond to the letter docketed on January 6, 2011, by the above mentioned shareholders of the Bellemont Water Company.

I would like to state that at the closing of the letter, my name, and my husband Elliott's name was on the letter. We did not have any knowledge of this letter until we found it on the ACC website, or any meeting being held, and our name should not have been on that letter. Also, allegations made against me are not true. I have given Brad Ness copies of Bellemont Water Documents as ordered by the court, and have not held any meetings regarding the company without them. Lastly, have not taken the company "hostage". I am merely doing my job, and am protecting the interests of the company. I have no interest in answering phone calls and listening to allegations as well as distasteful messages left on my phone by the Ness family.

The company has not changed with Erik Ness as president. The same method of operation is still continuing. Erik Ness has complete control of standpipe revenue, and has not made any deposits of that revenue that total over \$3000.00 since he took over as president in November, 2010. As a reminder, approx. \$25,000.00 in standpipe revenue is unaccounted for since they gained control of that revenue in July, 2010. Deposits of "unknown" origin...I assume standpipe monies, are being deposited into the general account, and are being used to pay the "new loan" through Bellemont Water Company. Erik Ness continues to pay his cell phone bill with the company money through the general account as well. If Erik Ness continues to have access to the company money, the funds will continue to be mishandled.

The prospective buyer may contact me directly regarding any information needed upon making a decision regarding the purchase of the company. I do not trust the Ness family with accessing the bank accounts as they have proven time and again the co-mingling of personal expenses with company expenses. It is clear that they have no regard for the orders and compliance issues set by the ACC by their actions and admittance of misusing standpipe and metered revenue.

I have explained to this family numerous times, that Bellemont Water Company has to be run according to NARUC guidelines as well as compliance through the ACC, and they have refused to do so.

It is my opinion that it would benefit Bellemont Water to be sold. I would hopefully maintain my position, and continue to help any new buyer move forward in the right direction. If it continues to be owned by the Ness family, the company will be run into the ground with complete disregard of the Arizona Corporation Commission. As they stated in their letter, "BWC is a very small and poor company trying to abide by big corporation laws." They truly have no idea how to run this company.

I am requesting that I maintain my position as secretary of Bellemont Water Company, and Brad, Erik, Gloria, and Dianah Ness be restricted from all bank accounts, and the standpipe revenue, and that the company be sold as soon as possible...much sooner than 90 days. It only means 90 more days of misuse of company funds.

Sincerely,

A handwritten signature in cursive script that reads "Klaudia Ness". The signature is written in dark ink and is positioned above the printed name.

Klaudia Ness, Secretary